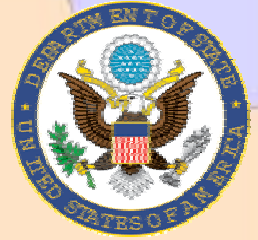


08 December 2004



Iraq Weekly Status Report

UNCLASSIFIED

DEPARTMENT
OF
STATE



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Highlights

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2.0 Ensure Legitimate Elections

- ï 233 political entities, including all of the major political parties, have registered for the 30 January elections.
- ï Voter registration continues in every province except Al Anbar. Some interruptions have occurred in Ninewa, Diyala, and Salah ad Din.
- ï The Independent Electoral Commission of Iraq (IECI) has extended the deadline for submitting candidate lists to 15 December for the national assembly and for provincial council elections in Al Anbar, Ninewa, and Salah ad Din provinces.
- ï 10 December remains the deadline for submission of candidate lists for the Kurdistan National Assembly and all other provincial council elections.
- ï IECI has assembled an initial voter registration list of 14 million names based on food distribution system lists.

3.0 Create Jobs and Provide Essential Services

- ï The PCO with the US Army Corps of Engineers announced on 3 December that the US government has surpassed the 1,000 construction start mark, one month ahead of their year-end goal.



Highlights

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4.0 Establish Foundations for a Strong Economy

- ï In Amman, Jordan, on 6 December, the World Bank signed three grant agreements with representatives from the IIG for reconstruction and development projects in Iraq totaling \$145 million.

5.0 Establish Good Governance, Rule of Law

- ï Iraqi Minister of Justice Malik Dohan announced that the trial of Saddam Hussein will begin after the elections on 30 January 2005.

6.0 Maintain International Engagement and Support

- ï Elections Canada has agreed to hold an organizational meeting on international monitoring for Iraq's election in Ottawa on 19-20 December. IECl wrote to invite OSCE assistance on international monitoring as well. IOM has begun negotiating Memoranda of Understanding with some of the fourteen Out of Country Voting countries and has set up a headquarters in Amman. IECl wrote to OSCE on international monitoring as well.



[1.0] Neutralize the Insurgents ñ Iraqi Security Forces Update

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<u>Iraqi Security Forces</u>	<u>Trained/On Hand</u>	<u>Required</u>
Police	47,342	135,000
Civil Intervention Force	1,091	3,720
Emergency Response Unit	168	270
Border Enforcement	14,593	29,360
Highway Patrol	370	6,300
Bureau of Dignitary Protection	484	500
Army	2,713	27,000
National Guard	43,445	61,904
Intervention Force	2,062	6,584
Special Operations Force	587	1,967
Air Force	167	502
<u>Coastal Defense Force</u>	<u>484</u>	<u>582</u>
Total	*113,506	273,689

* The military forces continue to receive advanced unit training.



[2.0] Ensure Legitimate Elections ñ **Developments**

Election Planning continues:

- ï Amidst calls for delay, Iraqi President Ghazi al Yawar stated that Iraq has a legal and moral obligation to hold elections on 30 January.
- ï Iraqi PM Allawi met with notable Sunnis in Jordan to encourage participation in the national elections before traveling on to Germany and Russia.
- ï As of 2 December there are 628 candidates and 48 lists for national elections. For provincial elections, there are 4,038 candidates and 201 lists.
- ï The International Organization for Migration (IOM) has set up offices in each of the 14 Out of Country voting countries and initiated the negotiations Memoranda of Understanding (MOUs) in several countries, including the United States.
- ï PUK and KDP, the two major Kurdish parties, have announced that they will run unified lists in both the national and Kurdistan National Assembly elections.
- ï IECEI has published ten regulations to date, with seven remaining.
- ï IECEI began airing four new advertisements featuring a prominent Iraqi comedian encouraging participation in the election process.
- ï IECEI published the first edition of its elections newsletter and distributed 50,000 copies on 5 December.



[2.0] Ensure Legitimate Elections ñ **Developments**

Elections Security:

- ï The US Department of Defense announced that it will increase the number of US troops in Iraq from 138,000 to about 150,000 to provide security for the elections.

Elections Monitoring:

- ï IECE has issued an open invitation for international elections monitors to observe the 30 January elections; IECE also made a specific request for OSCE assistance.
- ï IECE announced that the UN will set up an elections center in Amman to coordinate the activities of international elections monitors.
- ï Canada will host a major international meeting later this month to discuss the Iraqi election with a focus on monitoring.

United Nations:

- ï Including staff from the International Federation of Electoral Systems (IFES) and the European Union, the UN elections team now has 33 staff in Iraq.

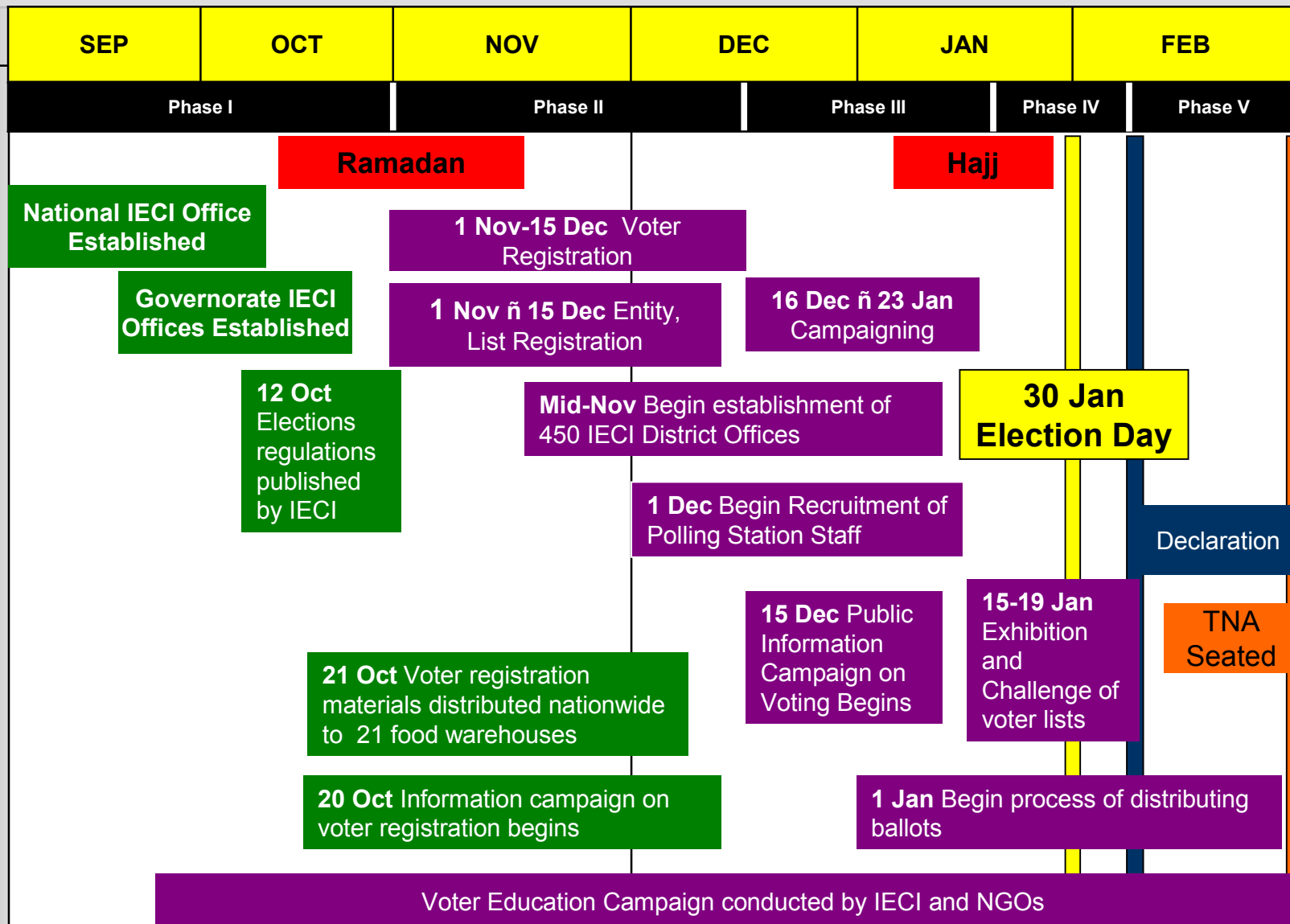
Capacity Building:

- ï The National Democratic Institute for International Affairs (NDI) continues to train Iraqis through its Coalition of non-partisan elections monitors (CINEM). A five-day election monitoring course trained 26 Iraqi civic leaders in Amman.
- ï The International Republican Institute (IRI) recently conducted workshops on party coalition building with more than 200 Iraqi political party members in attendance.
- ï USAID organized a conference on the electoral process for 46 participants from 27 parties in Kirkuk.



[2.0] Ensure Legitimate Elections ñ Iraq Elections Timeline

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[3.0] Create Jobs and Provide Essential Services ñ **Economy**

Oil Update:

ï Crude Oil prices in world markets for the week ending 3 December closed with Kirkuk Crude at \$34.51/barrel, Basra Light at \$30.74/barrel, and the OPEC basket at \$37.44/barrel.

Employment Update:

Number of Iraqis employed by USG-administered projects in each sector

Employing Organization	Iraqis last week	Iraqis this week	% Increase on week
PCO	13,878	17,740	21.8%
USAID	31,945	35,292	9.5%
AIRP	12,100	11,600	-4.3%
MILCON/OMA*	2,039	2,039	0.0%
CERP	25,813	22,279	-15.9%
MNSTC-I	5,618	5,618	0.0%
IRRF NON-CONSTRUCTION	28,789	29,787	3.4%
GRAND TOTAL	120,182	124,355	3.4%

[3.0] Create Jobs and Provide Essential Services ñ Water and SanitationD
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EWorld Bank Trust Fund Grants \$90 million for improved Water and Sanitation:

- ï A grant agreement for the Emergency Water Supply and Sanitation and Urban Development Project (\$90 million) is expected to be signed this week.
- ï The project will help restore basic water supply and sanitation services in nine governorates outside of Baghdad. In addition, the project will undertake reconstruction of roads, sidewalks, and community centers in poor cities outside of Baghdad.

Drip Irrigation Sites:

- ï USAID specialists visited three Drip Irrigation System sites in Al Qadisiyah Governorate to assess the progress of crops grown using the technique. The irrigation sites are part of a collaborative effort of the Agriculture Reconstruction and Development Program for Iraq (ARDI Program).



[3.0] Create Jobs and Provide Essential Services ñ Food Security

DEPARTMENT OF STATE

Public Distribution System (PDS) and MOT-Awarded Contracts:

- ï MOT II (pulses, vegetable oil/ghee, tea, infant cereals and adult milk) is on target to meet the needs of the Public Distribution System (PDS) in December and January.
- ï The World Food Program (WFP) has agreed to continue with its pipeline reporting to track estimated arrivals of shipments.
- ï The Ministry of Trade has reported that all Letters of Credit (L/Cs) have now been issued for MOT II and contracts have been amended accordingly. Independently, the Trade Bank of Iraq reports that all but one L/C have been fully funded.
- ï For December, in order to avoid wheat shortages, the MOT will mix foreign and domestic supplies (75:25) for milling and distribution. Additionally, the MOT reported they awarded a contract for 100,000 MT of wheat flour. Further details on this contract are pending.
- ï On 18 November, the MOT III tendering process closed. The MOT plans to award those contracts by the end of this week which will fulfill February, March and April 2005 requirements.



[3.0] Create Jobs and Provide Essential Services ñ Health Care

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Current Hospital Rehabilitation Projects:

- ï The US Army Corps of Engineers expects construction to start on the Academy of Health Sciences, on 15 December. The training committee for the school has completed the organizational structure as well as missions for each department, and has been provided to the Ministry of Health (MoH).
 - ñ The team met with the training point of contact at the MoH and plans to start training by 1 April.
 - ñ IRMO representatives visited the Minister of Health on 29 November. Because the school may not be available by the April timeframe, the Minister of Health will rent out space in the International Zone and provide furniture to begin classes. The PCO will provide required training equipment and the First Cavalry Division will also support this endeavor.

Update on the Japanese Grant to the MOH:

- ï Japanese government representatives provided an invitation for the Minister to attend a meeting with the Japanese in Jordan in December. They also provided a grant for refurbishment of 4 hospitals.



[3.0] Create Jobs and Provide Essential Servicesñ Education

DEPARTMENT OF STATE

New School Construction:

- ï As of 1 December, the PCO has constructed 38 new schools, and construction on 263 schools is currently underway.
- ï To date, USAID has rehabilitated 2358 schools throughout Iraq, and printed and distributed 8.7 million revised math and science textbooks to grades 1-12.

Iraq Project and Contracting Office (PCO) Surpasses 1000 Mark:

- ï The PCO with the US Army Corps of Engineers announced on 3 December that the US government has surpassed the 1,000 construction start mark, one month ahead of their year-end goal.
- ï To date, the PCO has started construction on 1,051 projects, and has established a new goal of 1,200 by the end of the year. The following is a breakdown of the 1,051 rehabilitation and construction projects by sector:

ñ Schools: 363

ñ Fire stations: 20

ñ Oil: 19

ñ Public health clinics: 41

ñ Police stations: 17

ñ Sewer: 24

ñ Hospitals: 14

ñ Military bases: 16

ñ Roads: 66

ñ Railroad stations: 58

ñ Water: 67

ñ Other: 194

ñ Border posts: 88

ñ Electricity: 58

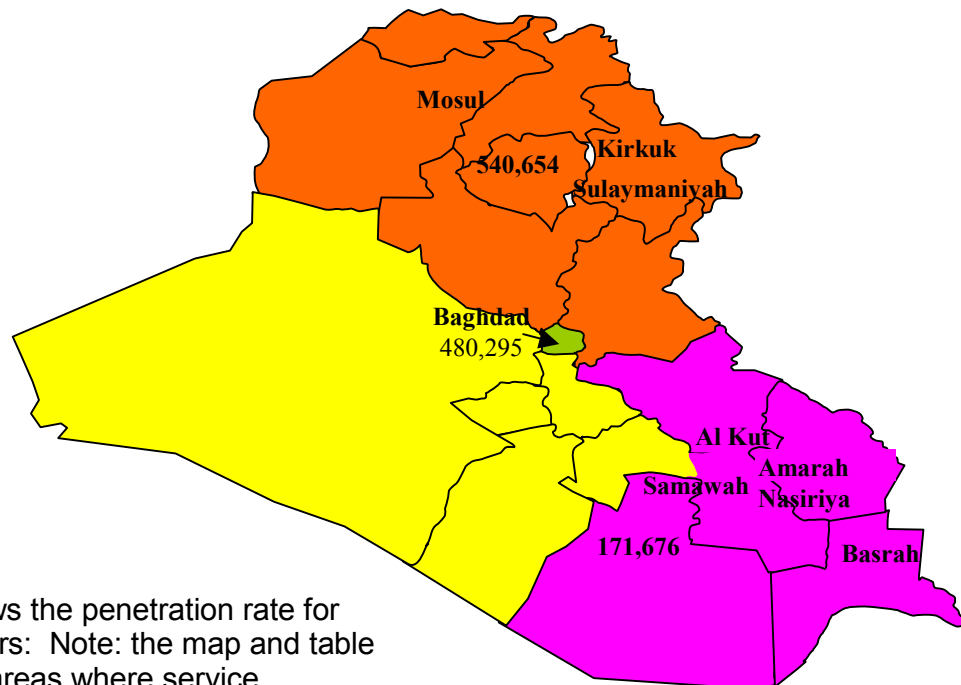
ñ Total: 1,051

ñ Port of entry: 6

[3.0] Create Jobs and Provide Essential Services ñ Telecommunications



- ï Total number of telephone subscribers in Iraq is now over 2,152,000 (including 1,192,000 cell phone subscribers) ñ 158% above pre-war levels.



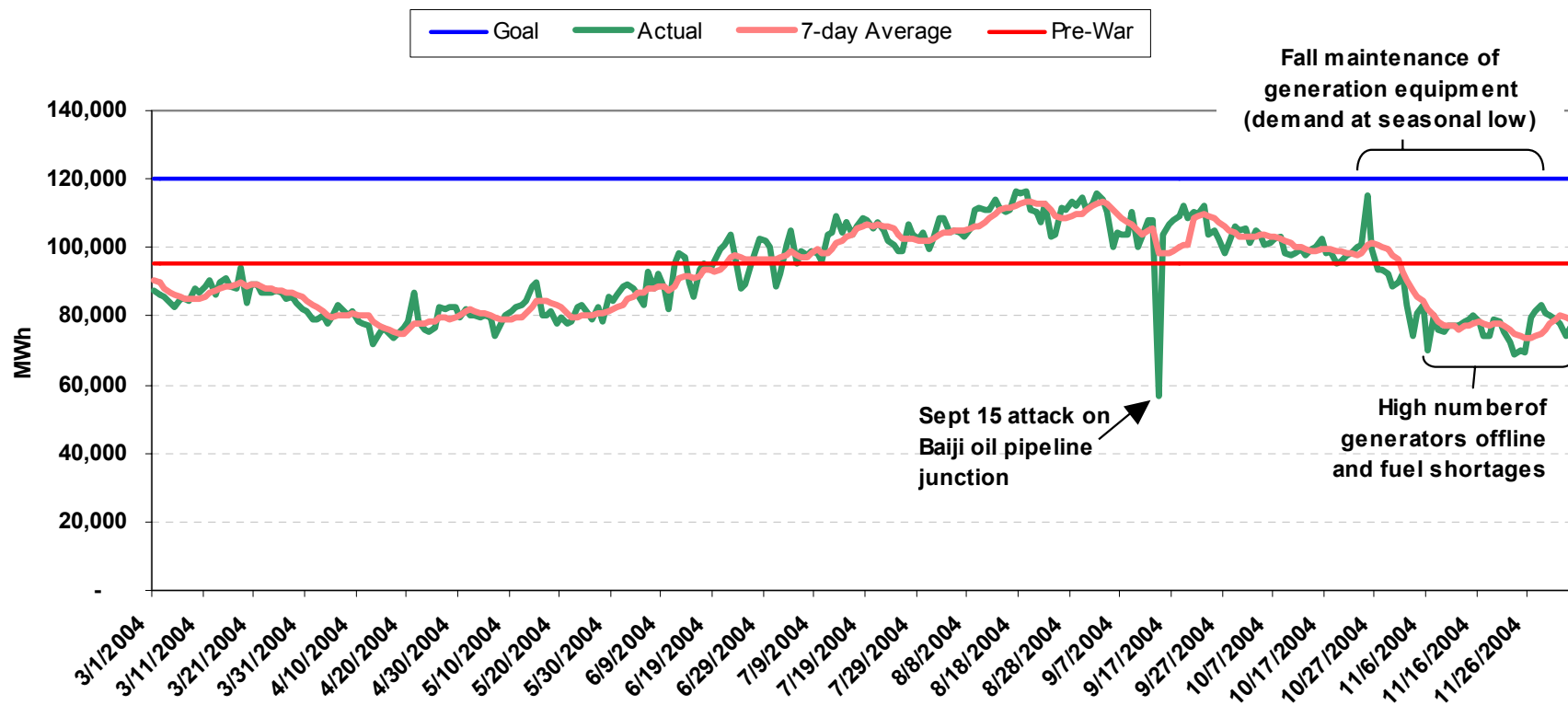
This map shows the penetration rate for cell phone users: Note: the map and table only includes areas where service currently exists.

- ï There are 110,000 internet subscribers, compared with less than 12,000 before the war. These statistics do not reflect the large number of unregulated users of Internet cafÈs.



[3.0] Create Jobs and Provide Essential Services ñ Electricity Overview

Megawatt-Hour (MWh) Load Served



- ï Approximately 1325 MW of generation capacity was offline due to planned maintenance. Another 1151 MW was offline due to unscheduled maintenance.
- ï Low fuel inventories and cooler winter temperatures coupled with ongoing unplanned outages has significantly decreased the available electricity to the average Iraqi.
- ï 7 Day MWh Average (29 Nov ñ 5 Dec): 77,800 MWh.
- ï Work is continuing on a new power generation project in Baghdad that will add 216 MW of generation capacity to the national grid. Work is currently focused on installing two generation units and associated equipment. The first unit is expected to be complete by the end of March 2005, with the second complete in April 2005.



[4.0] Establish Foundations for a Strong Economy

Iraq receives \$145 million from World Bank Trust Fund:

- ï In Amman, Jordan on 6 December, the World Bank signed three grant agreements with representatives from the IIG for reconstruction and development projects in Iraq totaling \$145 million.
- ï Financed by the World Bank's Iraq Trust Fund, \$90 million will be channeled to emergency projects in health, water supply and sanitation, and reconstruction in urban centers. The remaining \$55 million will be used to strengthen the financial and private sectors, of which \$40 million will finance the building of a modern telecommunications network across the country.
 - ñ The proposed Emergency Baghdad Water and Sanitation Project (\$65 million) will help restore basic water supply and sanitation services in Baghdad through reconstruction and upgrading existing networks and treatment facilities.
 - ñ The Emergency Health Rehabilitation Project (\$25 million), will equip hospitals with basic medical and laboratory equipment and provide a 3 to 6 month supply of up to 40 essential emergency drugs. It will also provide support for better planning and management in public health agencies at the central and governorate level.
 - ñ The Emergency Private Sector Development Project (\$55 million) will help address unemployment by creating or strengthening institutions that would support the private sector, and improve Iraqi firms' access to finance and foreign markets. It will also boost the telecommunications infrastructure and build a national network to improve delivery of communications services.



[4.0] Establish Foundations for a Strong Economy

Iraq Currency and Securities Exchanges:

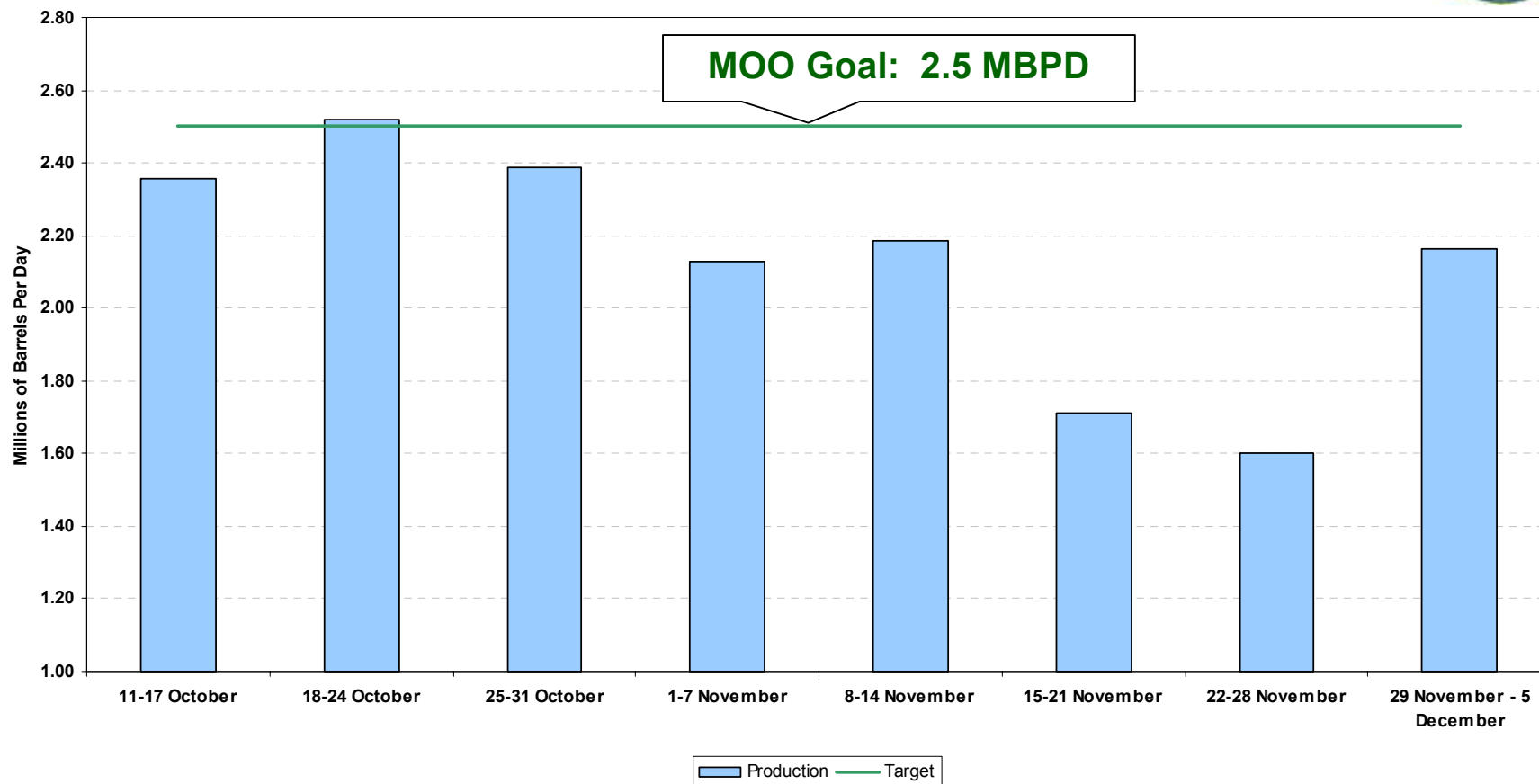
- i At the New Iraqi Dinar (NID) auction on 7 December, the settlement price was 1,460 dinars per USD with a total of 14 banks trading. The following table shows the purchase value of the top five banks:

Bank Name	Quantity Sold (in thousands of dollars)	Percentage of Total Auction
Al-Rasheed	9,950	31.85%
Rafidain Bank	8,130	26.02%
Al-Warkaa Bank	6,000	19.21%
Agriculture Bank	1,930	6.18%
Iraq Bank	1,900	6.08%
Total	27,910	89.34%

- ii The Ministry of Finance (MOF) auctioned ID 124.55 billion (about \$85.3 million) in T-Bills on 6 December; the settlement yield was 6 percent with four banks offering winning bids. The following shows the results of the previous 6 auctions:

No. of Auction	Date of Auction	Amount of issue	Term of security (in days)	Maturity Date	Number Competitive Bidders	Winning Bidders	Total valid Competitive Bids	Total Competitive Awarded	Cover Ratio %	Bid Range yields	Cut Off yield	Amount Sold
5	9/12/2004	150.020	91	12/13/2004	7	5	228.250	147.520	154.72	2.00% - 7.20%	4.00%	150.020
6	9/26/2004	150.000	91	12/27/2004	7	5	316.250	146.500	215.87	1.50% - 5.00%	3.20%	150.000
7	10/10/2004	150.020	91	1/10/2005	8	6	289.750	145.270	199.46	2.00% - 5.40%	3.20%	150.020
8	10/24/2004	150.030	91	1/24/2005	10	6	350.000	145.030	241.33	1.00% - 5.40%	2.50%	150.030
9	11/7/2004	150.010	91	2/7/2005	12	7	437.100	145.510	300.39	1.00% - 3.30%	1.10%	150.010
10	11/21/2004	150.010	91	2/20/2005	6	6	281.250	147.010	191.31	1.00% - 5.00%	1.20%	150.010
11	12/5/2004	124.550	91	3/7/2005	4	4	122.800	122.800	100.00	2.50% - 6.00%	6.00%	124.550

[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production



ï Weekly Average (29 Nov ñ 5 Dec) of 2.16 MBPD

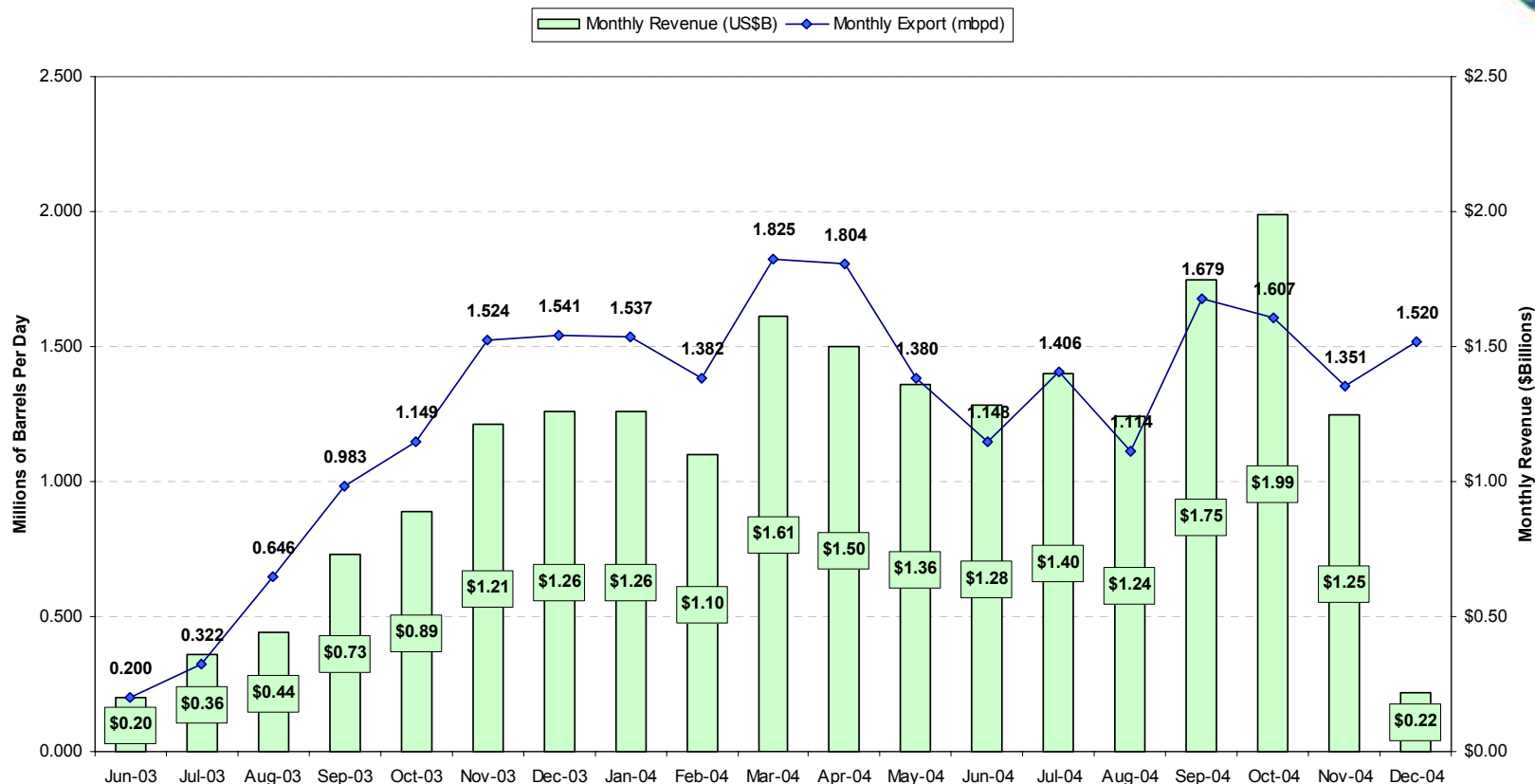
ï Near Term Ministry of Oil (MOO) Target (Dec 04): 2.8 ñ 3.0 MBPD (Pre-War Capacity)

ï Pre-War Peak: 2.5 MBPD in Mar 03

ï Post-War Peak: 2.67 MBPD



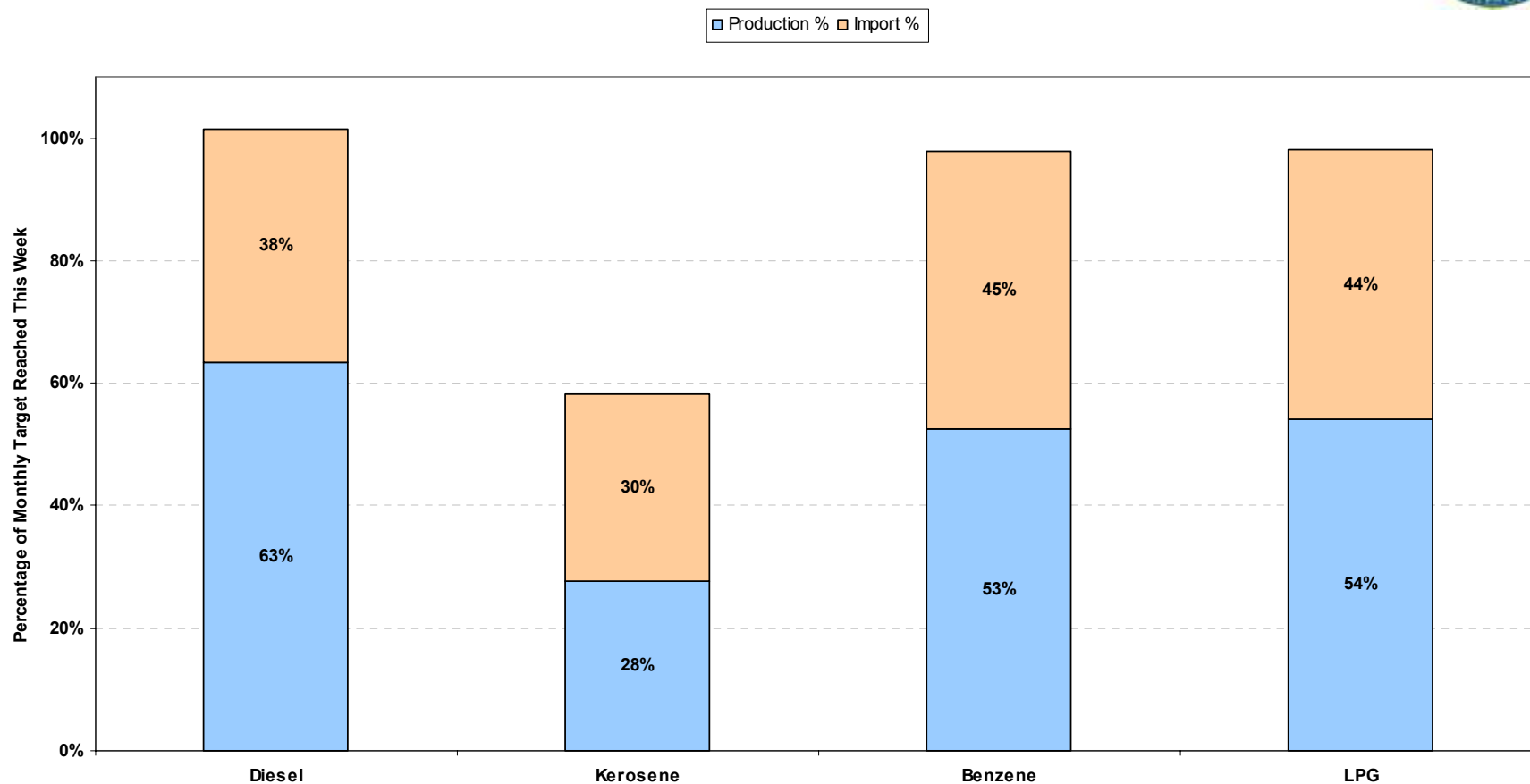
[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export



2003 Revenue: \$5,076.6M
 2004 Revenue:
 ñ Pre-Transition: \$8,105.2M
 ñ Post-Transition (To Dec 5): \$7,814.4M
 \$15,919.6M



[4.0] Establish Foundations for a Strong Economy ñ Refined Products



Note: This chart represents the percentage of target reached for the week of 29 Nov ñ 5 Dec

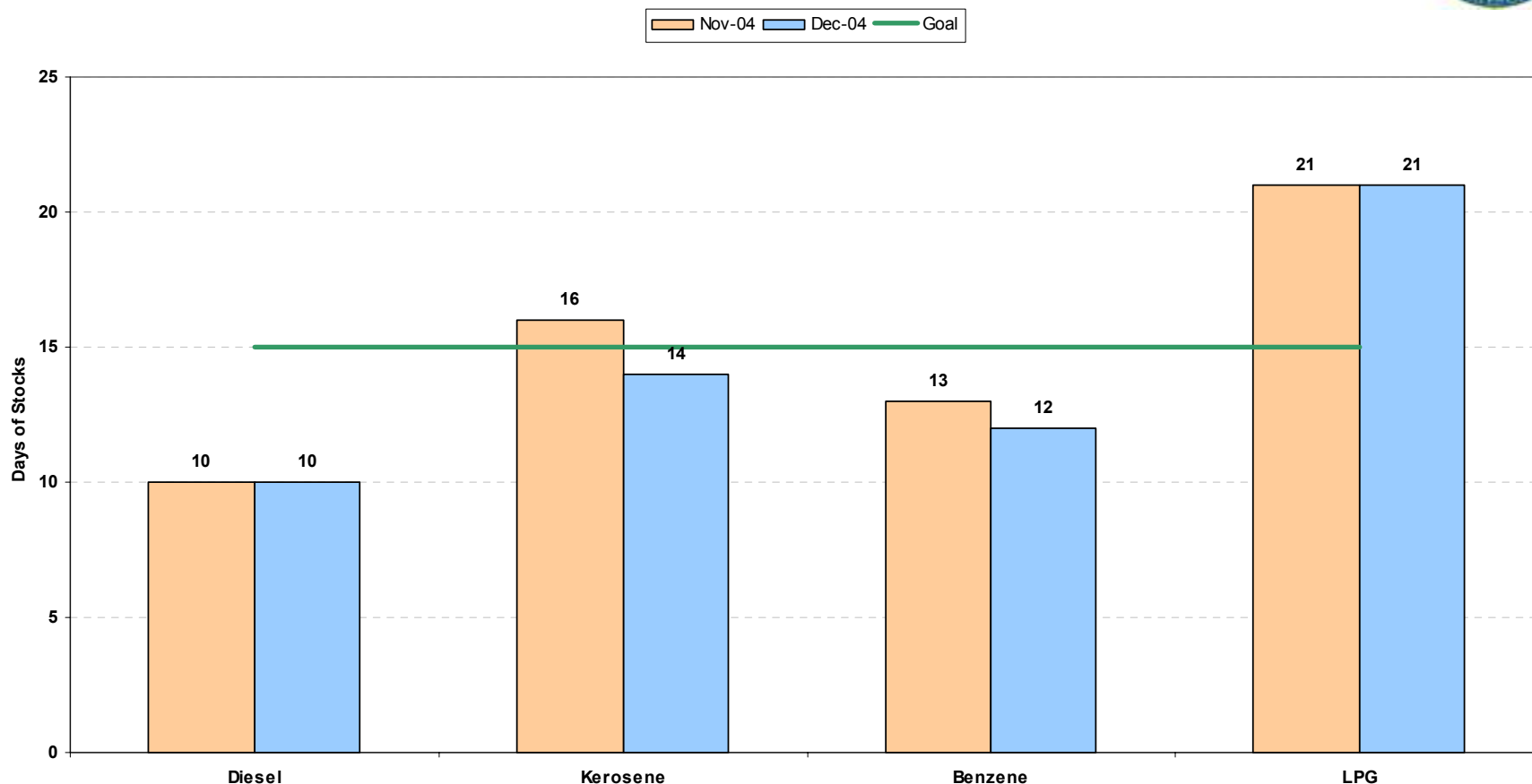
ï Diesel: 18.3 ML of 18 ML

ï Kerosene: 10.5 ML of 18 ML

ï Benzene: 17.6 ML of 18 ML

ï LPG: 4,222 tons of 4,300 tons

[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



[4.0] Establish Foundations for a Strong Economy ñ IRRF

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Sector	2207 Report	Apportion	Committed		Obligated		Disbursed	
			Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5045	5045	4130	4278	2898	2930	938	961
Electricity Sector	4350	3627	3469	3460	2408	2421	494	504
Oil Infrastructure	1701	1701	1196	1155	786	824	77	77
Justice, Public Safety, and Civil Society	1121	1120	840	857	556	572	88	95
-Democracy	832	832	574	577	574	577	120	121
Education, Refugees, Human Rights, Governance	379	379	139	174	139	170	36	36
Roads, Bridges, and Construction	359	299	292	294	170	184	25	27
Health Care	786	786	780	781	410	419	7	10
Transportation and Communications	499	443	414	415	214	229	17	21
Water Resources and Sanitation	2311	1365	1339	1340	881	883	35	35
Private Sector Development	843	843	336	367	320	321	50	50
Admin Expense (USAID, State)	213	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18439	16469	13538	13727	9385	9559	1916	1966
CONSTRUCTION	11306	9336	8359	8394	5504	5568		
NON-CONSTRUCTION	6301	6301	4605	4756	3307	3414		
DEMOCRACY	832	832	574	577	574	577		
IRRF I SUBTOTAL	2475	2475	2418	2418	2418	2418	1704	1768
GRAND TOTAL IRRF I & II	20914	18944	15956	16145	11803	11977	3620	3734

Data as of 8 Dec 04

[5.0] Establish Good Governance, Rule of Law ñ Refugees, Democracy and Human Rights



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Ministry of Health (MOH) Assists Fallujahís Internally Displaced Persons (IDP):

- ï MoH is providing assessments of outlying towns around Fallujah to determine the number of displaced persons and their needs.
- ï MoH is currently staffing to open clinics and provide medications, medical supplies, water, fuel, and blankets to IDP sites.
- ï There has been no communicable disease outbreak and no deaths related to disease within the IDP sites. Ambulance support and medical re-supply visits the Fallujah area daily.

Conflict Resolution Training:

- ï USAIDís Office of Foreign Disaster Assistance (OFDA) is identifying individuals among IDPs to provide training and health promotion within their communities and villages. Through this effort, OFDA has trained twenty health volunteers in the districts of Ninewa and Erbil and eighteen volunteers in Diyalaí. This initiative reached 3,049 returnee beneficiaries in Northern Iraq and 5,667 IDP beneficiaries in Diyalaí Governorate.



[5.0] Establish Good Governance, Rule of Law ñ Justice

Rule of Law Coordination

- ï INL will attend the UN conference on Rule of Law and Human Rights in Geneva (13 -14 Dec). Objectives of the conference are:
 1. Inform potential donor countries of opportunities for participation.
 2. Inform and expose international HR community to ongoing and planned activities in Iraq.

Criminal Justice

- ï The Iraq Police development program includes eight weeks of basic training for new recruits within Iraq and at the Jordan International Police Training Center. There is additional planning for continued field training and mentoring, as well as a three-week transition training for existing Iraqi police. A number of specialized and advanced training courses are also being taught.
- ï Additionally, 500 international police liaison officers supplied by INL are prepared to supplement classroom instruction by providing field training supervision, mentoring, and technical advice to the civilian police at all levels.



[6.0] Maintain Int'l Engagement & Support ñ Stability Contributors

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Countries with forces in Iraq (in addition to US)

Albania	El Salvador	Korea	Norway	Tonga
Armenia	Estonia	Latvia	Poland	Ukraine
Australia	Georgia	Lithuania	Portugal	UK
Azerbaijan	Hungary	Macedonia	Romania	
Bulgaria	Italy	Moldova	Singapore	
Czech Rep	Japan	Mongolia	Slovakia	
Denmark	Kazakhstan	Netherlands	Thailand	

TOTAL ~ 24,000 Forces

32 Countries and NATO
 (including US)
Support Iraqi Stability Operations

Iraq Weekly Status ñ General Information



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- ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov